

OBJECTIVE F: DETERMINE IF PROPERTY IS MISSING FROM THE EVIDENCE AND UNCLAIMED PROPERTY TRANSFERRED TO GENERAL SERVICE FOR AUCTION.

F-1.1 Determine no paperwork has been removed from the office of Mike Taft. (30)

F-2.1 Determine if any incriminating documentation had been left in Taft's office. (20)

F-3.1 Conduct interviews with all current employees who have or are currently working on the auction process.

F-4.1. Discuss follow-up on leads developed during the interview process with Supervisor and/or City Auditor. For example, two individuals interviewed made the statement that four tires were missing from the warehouse. (6)

F-5.1 Count and confirm with Finance the auction change fund. Have the change fund returned to the Treasury. (4)

F-6.1 Confirm all pages of the "City of San Jose Transfer of Unclaimed Property" report are accounted for General Service. (40)

F-7.1 Determine what happened to the property on page 91-160 and to the remaining property on page 91-172 (Police Department transfer). (8)

F-8.1 Determine all times are accounted for that were sent to General Service for the 5-18-91 auction. (60)

F-9.1 Have General Service line list the jewelry items currently in the safe and forward the jewelry to the auction house for the next available auction. Secure a copy of their listing. (4)

F-10.1 Determine Mike Taft's authority and span of control and the lack of segregation of duties. (16)

F-11.1 Determine Mike Taft's access to FMS passwords and identification numbers. (16)

- Interview Carol Reed

F-12.1 Get financial reports on Mike from the Police Department and analyze them. (4)

F-13.1 Secure vendor name and address listing from accounting. If possible get a ship to or deliver to address listing. When received, review the lists for any P.O. Box numbers and addresses in the Salinas or Watsonville area. Secure a list of General Service employees home addresses and match these to the vendor listings. (10)

F-14.1 Secure Mike Taft's timesheets and review them for any excessive periods of absences.

F-15.1 Review a current auction at Cambridge Auction House. Attend at least one auction and record auction prices. Confirm these prices to the auction house records returned to the City, explained any difference.

From the auctioneer secure information on the 1-18-92 and 2-29-92 miscellaneous action. This information may be needed for reconciliation purposes. Secure copies of miscellaneous sheets filled out by Cambridge Auction House or Fred Forster. Review the in-house auction procedure and the monthly memo from General Service to the City Manager.

Secure auction procedures if any.

Secure hand written pages written up by Fred Forster and hand written up by the auctioneer. Auctioneer wrote up items as they received property without any paper from General Service.

Gather background information on the auctioneer.

F-16.1 Secure and review the Director of General Services monthly reports to the City Manager. Review them for reporting of auction revenues and expenses.

F-17.1 Prepare and/or revise preliminary Finding Development Sheets as appropriate. File punch paragraphs and draft copies of the report. (32)

NOTE:

This audit program limits the auction review of procedure and policies for safe guarding and auctioning of unclaimed police property and investigation to the transfer of property from the police property room to General Services. This audit program does not in anyway represent a full program performance audit or a full fraud investigation of the auction process. A program performance audit of the auction process would include a preliminary survey, risk assessment and fieldwork dealing with the auction of surplus City property, police property, and vehicle, which this review did not contain nor address these other auction areas.